



Urban Processing, LLC.

6011 Washington Street

Wisconsin Rapids, Wisconsin 54494

Phone: 715-423-5200 Fax: 715-423-8646

Website: [www.urbanprocessing.com](http://www.urbanprocessing.com)

RECEIVED

August 10, 2005

Docket Clerk, Marketing Order Admin. Branch, Fruit & Veg. Program  
AMS, USDA, 1400 Independence Ave, SW., STOP 0237  
Washington, DC 20250-0237

This letter is to comment on **Docket No. FV05-929-610 Review.**

As it is written, the marketing order puts all the burden on the grower and nothing on the handler. We happen to be both a grower and handler. Our companies are Bassuener Cranberry Co. Inc. established in 1987 and Urban Processing, LLC established in 2001.

We had been growing cranberries and selling to an east coast handler for many years.

When the price dropped out on the cranberries, we had to take a step back and look at what we as a family should do to keep operating. Our son wanted to stay in the cranberry business.

However, with the barrel price so low we did not know how we could manage.

In 2001 we decided the only alternative was to value-add our crop and start processing the cranberries ourselves. We found an open patent for infusion of fruit, and put everything we owned on the line to put up a brand new state of the art food processing facility on our property. We sized our plant to utilize our entire crop, and have achieved sales to support the operations. We do not contract with other growers for their fruit.

We have expanded our plant in phases and are now at full capacity (115,000 sq. ft. of processing and 100,000 sq. ft. of freezer storage). We have already created over 30 jobs in our community. This is a big boost for our depressed area due to the fact that the local paper mills were bought out and the new owners are eliminating hundreds of jobs.

We are not like the other handler/manufacturer in this industry that contracts with multiple growers and has a carryover of fruit from year to year. For example; our 2004 crop will be used up this fall and we will start processing our 2005 fruit in November – a month after we harvest it.

If a marketing order is set and we have to dump any of our fruit, it would be detrimental to our company. We would not have enough fruit to run our plant, which would lead to a layoff of employees, and loss of sales to our competitors. I have spoken with other small handlers that have been in the industry longer than we have, and they all say that without some type of price control or price penalty imposed upon the handlers with an oversupply, the market order would be devastating to their companies. They are basically at the mercy of the larger



SD

## Urban Processing, LLC

6011 Washington Street

Wisconsin Rapids, Wisconsin 54494

Phone: 715-423-5200 Fax: 715-423-3646

Website: www.urbanprocessing.com

2019 AM 10:28

RE

U

handler/competitor that holds the inventory. The smaller handler cannot be competitive because the larger handler charges them much more than what they paid the grower for the fruit.

In the review document it also states that restricted fruit may be used for new and emerging overseas markets, excluding Canada. Does that mean the restricted fruit can be used in the existing overseas markets that we are currently selling to? The CMC has spent marketing dollars which has opened up the European and Asian markets. Most of the larger handlers have quite a large presence in those areas. If they are allowed to use the restricted fruit to their existing overseas customers, then how does this help in an oversupply situation?

We feel that if our company has the sales for the fruit that we produce, then we should be allowed to harvest our entire crop. The handlers with the oversupply should be the ones to destroy the fruit they can not sell or process within a production year (process capacity / fruit inventory). In other industries, the grower is contracted with a handler and paid to grow a crop (corn, beans, etc.). If the harvest is greater than what that handler needs, the handler instructs the farmer to dispose of the excess. They do not bring it all in and worry about what to do with the surplus later.

In our minds, this is basic economics. If a handler purchases more product than they can sell, then it's their fault for not being prudent business owners. The burden should not be put on the full market for the few that cause the problem.

The cranberry industry has one major player. If a dump is in their best interest, they will dictate when it happens. They control the CMC because of the amount of votes they hold. This is a formula for misdirection of the cranberry industry as a whole for the benefit to the major player. There are other cranberry handlers in the marketplace!

Should a marketing order be voted on, we would like to see something implemented to protect us and other small businesses that have their entire business on the line.

Sincerely,  
URBAN PROCESSING, LLC

Cheryl Urban  
Owner

CU/swb

cc: Herb Kohl  
Dave Obey  
Julie Lassa